

## Message Text

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ACTION IO-13

INFO OCT-01 EUR-12 ISO-00 IOE-00 OIC-02 EB-08 AID-05  
AF-08 ARA-10 EA-09 NEA-10 COME-00 LAB-04 SIL-01  
TRSE-00 STR-04 L-03 CIAE-00 INR-07 NSAE-00 PM-04  
NSC-05 SP-02 SS-15 OMB-01 ABF-01 /125 W  
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P R 221556Z MAR 77

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC PRIORITY 1140

INFO USMISSION USUN NEW YORK

UNCLAS SECTION 1 OF 2 VIENNA 2239

EO 11652: NA

TAGS: UNIDO, OCON

SUBJECT: FIFTH SESSION OF THE INTERGOVERNMENTAL COMMITTEE FOR UNIDO  
CONSTITUTION- REPORT BY DRAFTING GROUP ON ORGANS, WORK  
PROGRAM AND FINANCIAL MATTERS TO CONTACT GROUP

1. ON MARCH 22 THE DRAFTING GROUP ON ORGANS, WORK PROGRAM  
AND FINANCIAL MATTERS (IN PREVIOUS TELS REFERRED TO FOR CON-  
VENIENCE AS WORKING GROUP ON BUDGET AND BUDGETARY PROCEDURES  
UNDER AUSTRALIAN AMBASSADOR FURLONGER) SUBMITTED ITS INTERIM  
REPORT TO THE CONTACT GROUP (A/AC/180/CG/WP.17).  
REPORT COVERS PORTIONS OF ARTICLE 7 (CONFERENCE) AS WELL  
AS ARTICLE 8 INDISTRIAL DEVELOPMENT BOARD; ARTICLE 8 BIS.  
(PROGRAM AND BUDGET COMMITTEE, ARTICLE 10 BI. (BUDGET) AND  
ARTICLE II (BUDGET PROCEDURES). ALL OF THESE TEXTS ARE AD  
REFERENDUM. PASSAGES IN SQUARE BRACKETS INDICATE THOSE ON  
WHICH AGREEMENT HAS NOT YET BEEN REACHED EVEN AD REFERENDUM.  
THE ATTRIBUTION TO GROUPS FOLLOWING THE BRACKETS INDICATES  
THAT THE TEXT IN QUESTION HAS BEEN ACCEPTED AD REFERENDUM  
BY THE GROUP OR GROUPS SPECIFIED. TWO OR MORE ADJOIN-  
ING BRACKETED PARAGRAPHS INDICATE ALTERNATIVE PROPOSED  
TEXTS.

2. BEGIN TEXT. ARTICLE 7. THE CONFERENCE. SUB-PARA-  
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GRAPH 3(B') 'APPROVE THE PROGRAMME OF WORK AND THE BUDGETS  
OF THE ORGANIZATION IN ACCORDANCE WITH ARTICLE 11, ESTABLISH  
THE SCALE OF ASSESSMENTS AND APPROVE THE FINANCIAL REGULA-  
TIONS OF THE ORGANIZATION'. GROUPS B AND 77)  
'SHALL DETERMINE METHODS OF ATTAINING THE PURPOSES AND  
CARRYING OUT THE FUNCTIONS OF THE ORGANIZATIONS; EXERCISE  
CONTROL OVER THE EFFECTIVE UTILIZATION OF FINANCIAL RE-

SOURCES AVAILABLE TO THE ORGANIZATION; UPON THE RECOMMENDATION OF THE INDUSTRIAL DEVELOPMENT BOARD APPROVE THE WORK PROGRAMME, BUDGET AND APPROPRIATIONS, MAKE, IF NECESSARY, COMMENTS ON THEM AND GIVE THE BOARD ADDITIONAL GUIDELINES; ESTABLISH THE SCALE OF ASSESSMENTS AND ADOPT THE FINANCIAL REGULATIONS OF THE ORGANIZATION'. GROUP D)

ARTICLE 8 INDUSTRIAL DEVELOPMENT BOARD. PARAGRAPH 1

(RESERVATION BY CHINA) 1. THE BOARD SHALL CONSIST OF FIFTY

MEMBERS OF THE ORGANIZATION ELECTED BY THE CONFERENCE WHICH SHALL GIVE DUE REGARD TO THE PRINCIPLE OF EQUITABLE GEOGRAPHICAL DISTRIBUTION. IN ELECTING THE MEMBERS OF THE BOARD THE CONFERENCE SHALL OBSERVE THE FOLLOWING DISTRIBUTION OF SEATS: THIRTY MEMBERS OF THE BOARD SHALL BE ELECTED FROM THE STATES LISTED IN PARTS A AND C, FIFTEEN FROM STATES LISTED IN PART B, AND FIVE FROM THE STATES LISTED IN PART D OF ANNEX..TO THIS CONSTITUTION.

SUB-PARAGRAPH (R(A). (A) ACTING UNDER THE AUTHORITY OF THE CONFERENCE, REVIEW THE IMPLEMENTATION OF THE APPROVED PROGRAMME OF WORK AND OF THE CORRESPONDING BUDGETS.

ARTICLE 8( BIS. PROGRAMME AND BUDGET COMMITTEE 1. THE COMMITTEE SHALL CONSIST OF TWENTY-SEVEN MEMBERS 'OF THE BOARD ELECTED BY THE BOARD' (B AND D). FIFTEEN MEMBERS OF THE COMMITTEE SHALL BE ELECTED FROM THE STATES LISTED IN UNCLASSIFIED

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PARTS A AND C, NINE FROM THE STATES LISTED IN PART B, AND THREE FROM THE STATES LISTED IN PART D OF ANNEX..TO THIS CONSTITUTION. (RESERVATION BY CHINA)

2. MEMBERS OF THE COMMITTEE SHALL HOLD OFFICE DURING THE TWO-YEAR PROGRAMME BUDGET PERIOD FOLLOWING THE 'SESSION OF THE BOARD AT' (B AND D) WHICH THEY WERE ELECTED. MEMBERS OF THE COMMITTEE MAY BE RE-ELECTED.

3. THE COMMITTEE SHALL HOLD AT LEAST ONE SESSION A YEAR. ADDITIONAL SESSIONS OF THE COMMITTEE SHALL BE CONVENED BY DIRECTOR-GENERAL AT THE REQUEST OF THE BOARD OR UPON DECISION BY THE COMMITTEE ITSELF. SESSIONS SHALL BE HELD AT THE SEAT OF THE ORGANIZATION.

4. THE COMMITTEE SHALL: (A) PERFORM THE FUNCTIONS ASSIGNED TO IT IN ARTICLE 11; (B) 'PREPARE AND RECOMMEND

TO THE BOARD THE SCALE OF ASSESSMENTS FOR REGULAR BUDGET EXPENDITURES' (B AND D)  
(C) EXERCISE SUCH OTHER FUNCTIONS WITH RESPECT TO FINANCIAL MATTERS AS MAY BE ASSIGNED TO IT BY THE CONFERENCE OR THE BOARD; (D) REPORT TO THE BOARD AT EACH REGULAR SESSION ON ALL ACTIVITIES OF THE COMMITTEE AND SUBMIT ADVICE OR PROPOSALS ON FINANCIAL MATTERS TO THE BOARD ON ITS OWN INITIATIVE.

5. THE COMMITTEE SHALL ADOPT ITS OWN RULES OF PROCEDURE.

6. EACH MEMBER OF THE COMMITTEE SHALL HAVE ONE VOTE.  
DECISIONS SHALL BE MADE BY A TWO-THIRD AFFIRMATIVE VOTE OF 'THE MEMBERS OF THE COMMITTEE' (B AND D) 'THOSE PRESENT AND VOTING'. (77 AND CHINA)

ARTICLE 10 BIS. 1. THE ACTIVITES OF THE ORGANIZATION  
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SHALL BE CARRIED OUT IN ACCORDANCE WITH THE APPROVED PROGRAMME AND BUDGETS.

2. THE EXPENDITURES OF THE ORGANIZATION SHALL BE DIVIDED INTO THE FOLLOWING CATEGORIES: (A) EXPENDITURE TO BE MET FROM ASSESSED CONTRIBUTIONS (HEREINAFTER CALLED THE REGULAR BUDGET); AND (B) EXPENDITURE TO BE MET FROM 'DIRECT' (B AND 77) VOLUNTARY CONTRIBUTIONS, AND SUCH OTHER INCOME AS MAY BE PROVIDED FOR IN THE FINANCIAL REGULATIONS (HEREINAFTER CALLED THE OPERATIONAL BUDGET).

3. THE REGULAR BUDGET SHALL PROVIDE FOR EXPENDITURE FOR ADMINISTRATION, RESEARCH, OTHER GENERAL EXPENSES OF THE ORGANIZATION 'SECRETARIAT', (D) 'AND OTHER ACTIVITIES AS PROVIDED FOR IN THE ANNEX'. (B AND 77).

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4. THE OPERATIONAL BUDGET SHALL PROVIDE FOR EXPENDITURE FOR TECHNICAL ASSISTANCE AND OTHER RELATED ACTIVITIES.

ANNEX. I. ADMINISTRATION, RESEARCH AND OTHER GENERAL EXPENSES OF THE ORGANIZATION 'SECRETARIAT' (D) THESE SHALL BE DEEMED TO INCLUDE THE FOLLOWING 'SUBJECT/TO SPECIAL CONSIDERATION BY THE PROGRAMME BUDGET COMMITTEE AND/OR THE INDUSTRIAL DEVELOPMENT BOARD' (D) : 1. INTER-REGIONAL AND REGIONAL ADVISERS; 2. SHORT-TERM ADVISORY SERVICES PROVIDED BY THE STAFF OF THE ORGANIZATION; '3'. MEETINGS, INCLUDING TECHNICAL MEETINGS, PROVIDED FOR IN THE 'APPROPRIATE' (B) PROGRAMME OF WORK OF THE ORGANIZATION'. (B AND 77) 4. PROGRAMME SUPPORT COSTS ARISING FROM TECHNICAL ASSISTANCE PROJECTS OT THE EXTENT THAT THESE COSTS ARE NOT REIMBURSED TO THE ORGANIZATION BY THE SOURCE OF FINANCING OF SUCH PROJECTS.

II. OTHER ACTIVITIES. 'IN ORDER TO IMPROVE THE EFFECTIVENESS OF THE ORGANIZATION'S PROGRAMME OF WORK IN THE FIELD OF INDUSTRIAL DEVELOPMENT, THE REGULAR BUDGET SHALL ALSO FINANCE OTHER ACTIVITIES 'HERETOFORE FINANCED OUT OF SECTION 15 OF THE UNITED NATIONS REGULAR BUDGET' UP TO AN AMOUNT OF

VERSION 1 US\$...MILLION IN 1976/77 'PRICES'

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VERSION 2 ...PERCENT OF THE TOTAL OF THE REGULAR BUDGET.

THESE ACTIVITIES SHALL STRENGTHEN AND COMPLEMENT THE ORGANIZATION'S CONTRIBUTION TO THE COUNTRY AND INTERCOUNTRY PROGRAMMING OF THE UNITED NATIONS DEVELOPMENT SYSTEM.' (AD REFERENDUM B AND 77)

ARTICLE 11. 1. THE DIRECTOR-GENERAL SHALL PREPARE AND SUBMIT TO THE PROGRAMME AND BUDGET COMMITTEE, AT A TIME SPECIFIED IN THE FINANCIAL REGULATIONS, A DRAFT PROGRAMME OF WORK FOR THE FOLLOWING FISCAL PERIOD, TOGETHER WITH THE CORRESPONDING ESTIMATES FOR THOSE ACTIVITIES TO BE FINANCED FROM THE REGULAR BUDGET. THE DIRECTOR-GENERAL SHALL, AT THE SAME TIME, SUBMIT PROPOSALS AND FINANCIAL ESTIMATES FOR THOSE ACTIVITIES TO BE FINANCED FROM 'DIRECT'

(B AND 77) VOLUNTARY CONTRIBUTIONS (ARTICLE 13).

2. THE PROGRAMME AND BUDGET COMMITTEE SHALL CONSIDER THE PROPOSALS SUBMITTED TO IT BY THE DIRECTOR-GENERAL AND SUBMIT TO THE BOARD ITS PROPOSED PROGRAMME OF WORK AND CORRESPONDING ESTIMATES FOR THE REGULAR BUDGET AND OPERATIONAL BUDGET. SUCH PROPOSALS SHALL REQUIRE A TWO-THIRDS MAJORITY OF 'THOSE PRESENT AND VOTING' (77 AND CHINA) 'MEMBERS OF THE COMMITTEE' (B AND D).

3. THE BOARD SHALL EXAMINE THE PROPOSALS OF THE PROGRAMME AND BUDGET COMMITTEE AND ADOPT THE PROGRAMME OF WORK AND REGULAR BUDGET AND OPERATIONAL BUDGET WITH SUCH MODIFICATIONS AS IT DEEMS NECESSARY FOR SUBMISSION TO THE CONFERENCE FOR APPROVAL. SUCH ADOPTION SHALL REQUIRE A TWO-THIRDS MAJORITY OF 'THOSE PRESENT AND VOTING' (77 AND CHINA) 'MEMBERS OF THE BOARD' (B AND D).

THE FOLLOWING TEXT WAS PREPARED BY THE INFORMAL WORKING PARTY BUT HAS NOT BEEN EXAMINED BY THE DRAFTING GROUP.

THE POSITION OF THE GEOGRAPHICAL GROUPS INDICATED THEREIN  
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IS SUBJECT TO FURTHER CONSIDERATION:

4. (A) THE CONFERENCE SHALL APPROVE THE PROGRAMME OF WORK AND THE CORRESPONDING REGULAR BUDGET AND OPERATIONAL BUDGET SUBMITTED TO IT BY THE BOARD.

(B) THE CONFERENCE MAY MAKE SUCH MODIFICATIONS AS IT MAY DEEM NECESSARY IN THE PROGRAMME OF WORK WITHIN THE AMOUNT OF THE REGULAR BUDGET AND OPERATIONAL BUDGET ADOPTED BY THE BOARD 'IN ORDER TO TAKE ACCOUNT OF UNFORESEEN DEVELOPMENTS AFFECTING THE IMPLEMENTATION OF THE PROGRAMME OF WORK THAT MAY HAVE OCCURRED SINCE ITS ADOPTION BY THE BOARD' (B)

(C) THE CONFERENCE MAY MAKE SUCH MODIFICATIONS AS IT MAY DEEM NECESSARY IN THE REGULAR BUDGET TO TAKE FULLY INTO ACCOUNT THE FOLLOWING FACTORS WHICH MAY HAVE OCCURRED AFTER THE BOARD HAD EXAMINED AND ADOPTED THE PROGRAMME OF WORK AND CORRESPONDING BUDGET :

(I) CHANGES IN PRICE LEVELS AND CURRENCY FLUCTUATIONS,

(II) OTHER DEVELOPMENTS THAT MAY AFFECT IMPLEMENTATION OF THE PROGRAMME' (77)

THE CONFERENCE MAY MAKE SUCH MODIFICATIONS AS IT MAY DEEM NECESSARY IN THE PROGRAMME OF WORK WITHIN THE AMOUNT OF THE REGULAR BUDGET AND OPERATIONAL BUDGET ADOPTED BY THE

BOARD, AND MAY ALTER THE REGULAR BUDGET TO THE EXTENT THAT 'MAJOR' CURRENCY 'AND PRICE' CHANGES SINCE THE REGULAR BUDGET WAS ADOPTED BY THE BOARD HAVE AFFECTED THE REAL VALUE OF THE BUDGET' (INFORMAL PROPOSAL BY CHAIRMAN)

(D) SHOULD THE CONFERENCE NEVERTHELESS NOT APPROVE THE PROGRAMME OF WORK AND THE CORRESPONDING REGULAR AND OPERATIONAL BUDGET SUBMITTED TO IT BY THE BOARD, IT SHALL RETURN THESE TO THE BOARD WITH ITS VIEWS AND RECOMMENDATIONS FOR UNCLASSIFIED

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RECONSIDERATION BY THE BOARD AND RESUBMISSION TO THE CONFERENCE.

(E) ALL THE ABOVE DECISIONS SHALL BE TAKEN BY A TWO-THIRD MAJORITY OF 'THOSE PRESENT AND VOTING' (77) 'MEMBERS OF THE CONFERENCE'. (B) END TEXT. STIBRAVY

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## Message Attributes

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